

**GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA**

STARRED QUESTION NO:331
ANSWERED ON:12.12.2002
OMC'S CONDITIONS ON LEASE LAND
PRASANNA KUMAR PATASANI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a): the terms and conditions offered by Oil Marketing Companies for taking the land on lease from Letter of Intent holders;
- (b): whether the lease rent is provided keeping in view the market price of the land offered by them;
- (c): if so, whether it is mandatory for the LOI holder to handover the site to the company on the price determined by the company unilaterally;
- (d): if so, the remedy available to such dealer to avoid harassment from company officials;
- (e): whether the Government are planning to have an inquiry in such cases, which are pending since last three years due to such incidents; and
- (f): if so, the details thereof?

Answer

MINISTER OF PETROLEUM & NATURAL GAS (SHRI RAM NAIK)

(a) to (f): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (f) OF THE LOK SABHA STARRED QUESTION NO.331 BY PRASANNA KUMAR PATASANI TO BE ANSWERED ON THE 12TH DECEMBER, 2002 REGARDING OMC'S CONDITIONS ON LEASE LAND.

(a) & (b): The Oil Marketing Companies (OMCs) have their own internal guidelines for procurement of land from the holders of the Letter of Intent (LOI) for setting up of dealerships/ distributorships. They determine the suitability of a particular plot of land, offered to them by the LOI-holders. If the land is found to be suitable, assessment of the lease rental is got done through Government-approved valuers. Thereafter, terms and conditions for the lease agreement, including lease rental, are finalised by the OMCs after negotiation and in consultation with the LOI-holders.

(c): No, Sir.

(d) to (f): Do not arise in view of replies given with reference to parts (a) to (c) above.